

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 12840 260110Z

64

ACTION NEA-16

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 COME-00 EB-11 LAB-06 SIL-01 AGR-20 INT-08

FEA-02 DRC-01 (ISO) W

----- 020638

R 251420Z SEP 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 4112

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 12840

E. O. 11652: N/A

TAGS: ELAB, ETRN, IN

SUBJ: LABOR DISPUTES: CURRENT AND POTENTIAL

SUMMARY: INFORMED OBSERVERS DO NOT AGREE AS TO WHETHER ORGANIZED LABOR WILL RISK EXTENDED STRIKES IF INDIA'S ECONOMY AND THE CONDITIONS OF THE WORKERS CONTINUES TO DETERIORATE, MANY OBSERVERS ARE PREDICTING THAT ONE DAY GENERAL STRIKES WILL BE STAGED

ON THE PATTERN OF THE ONE CALLED IN KERALA ON SEPTEMBER 18. AT PRESENT THE MOST SERIOUS THREAT OF A MAJOR LABOR-GOI CONFRONTATION IS IN THE COAL INDUSTRY WHERE THE UNIONS HAVE ANNOUNCED A STRIKE FOR NOVEMBER 18. IF THERE ACTUALLY IS MORE THAN JUST A TOKEN STOPPAGE IN THAT VITAL SECTOR, OR IN ANY OTHER CRITICAL TO THE ECONOMY, WE BELIEVE THAT MRS. GANDHI WOULD REACT BY BREAKING IT JUST AS SHE DID IN LAST MAY'S RAIL STRIKE. END SUMMARY.

1. AS THE ECONOMIC SITUATION IN MOST PARTS OF INDIA CONTINUES TO WORSEN -- PRICES CONTINUE TO RISE AT ABOUT A 30 PERCENT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 12840 260110Z

ANNUAL RATE AND COMMODITIES DISAPPEAR FROM THE LAWFUL MARKETS --

THE REACTION OF ORGANIZED LABOR BECOMES A CRITICAL QUESTION. THERE IS NO AGREEMENT AMONG INFORMED SOURCES AS TO WHETHER TRADE UNIONS WILL BE IN THE VAGUARD OF ORGANIZED PROTESTS OR WHETHER IN THE WAKE OF THE MAY RAILWAY STRIKE SEVERELY PUT DOWN BY THE GOI, UNIONS WILL BE COWED AND RELUCTANT TO GET CLOBBERED AGAIN. GEORGE FERNANDES, LEADER OF THE RAIL STRIKE, TOLD THE LABOR COUNSELOR THAT MILITANT UNIONS (CITING THOSE LED BY HIM) WOULD CONTINUE TO BE AGGRESSIVE IN PROTECTING THE WORKERS WHILE ESTABLISHMENT UNIONS WOULD CONTINUE TO BE DOCILE. OTHERS WITH EQUALLY SOLID LABOR CREDENTIALS DISAGREE POINTING OUT THAT UNIONISED WORKERS ARE IN A PRIVILEGED ECONOMIC POSITION RELATIVE TO THE REST OF THE WORK FORCE AND THAT THEY WOULD BE MOST RELUCTANT TO JEOPARDIZE THEIR JOBS BY ENGAGING IN STRIKES. DUE TO INTERRUPTIONS IN ELECTRIC POWER WHICH IS BEING DIVERTED TO AGRICULTURAL AREAS AND BECAUSE OF SHORTAGES IN RAW MATERIALS, SOME COMPANIES, IT IS ARGUED, WOULD BE DELIGHTED WITH A STRIKE WHICH WOULD FREE THEM FROM HAVING TO PAY UNEMPLOYMENT COMPENSATION (HALF PAY) WHEN THEY LAY OFF. MANUFACTURING FIRMS HAVE ALREADY LAID-OFF LARGE NUMBERS, AND MASSIVE LAY-OFFS ARE THREATENED IN CONSTRUCTION BECAUSE OF STEEL AND CEMENT SHORTAGES. WHILE THERE IS DISAGREEMENT CONCERNING WHETHER UNIONS WILL RISK EXTENDED STRIKES TO SUPPORT WAGE DEMANDS, IF THE ECONOMY CONTINUES TO DETERIORATE, MANY OBSERVERS ARE PREDICTING UNIONS WILL CALL TWENTY-FOUR HOUR GENERAL STRIKES AND THAT THE NUMBER OF NON-UNION INITIATED DISTURBANCES WILL INCREASE.

2. SUPPORTING THE LATTER PREDICTION WAS THE ONE-DAY GENERAL STRIKE IN KERALA ON SEPTEMBER 18 LED BY THE CPM IN WHICH ALL CENTERS EXCEPT INTUC PARTICIPATED. THERE WERE NO REPORTED LAW AND ORDER PROBLEMS. APPROXIMATELY 80 PERCENT OF INDUSTRIAL WORKERS AND 40-50 PERCENT OF GOVERNMENT EMPLOYEES PARTICIPATED TO PROTEST THE "WAGE FREEZE" AND TAX BURDENS. (INTUC CAN BE EXPECTED TO ABSTAIN FROM SIMILAR ONE-DAY GENERAL STRIKES WHICH MIGHT BE CALLED ELSEWHERE).

3. THE MAJOR DISPUTE WHICH COULD PRODUCE A DRAWN-OUT AND COSTLY STRIKE IS IN THE COAL INDUSTRY. THE INTUC AND AITUC FEDERATIONS HAVE JOINTLY ANNOUNCED THAT THEY WILL CLOSE DOWN ALL COAL MINES ON NOVEMBER 18 UNLESS THEIR DEMAND FOR AN INCREASE IN THE BASIC WAGE FROM 290 TO 400 RUPEES PER MONTH IS ACCEPTED.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 12840 260110Z

INDIAN NATIONAL MINE WORKERS FEDERATION (INTUC) PRESIDENT MEHTA TOLD CONGEN CALCUTTA POLOFFICER BURLEIGH THAT THE UNIONS WERE DETERMINED TO GET AN INCREASE. TOKEN STRIKES HAVE BEEN ANNOUNCED FOR OCTOBER 7 AND 28-29. DETAILS OF DISPUTE WILL BE REPORTED SEPARATELY.

4. THE AIR INDIA STRIKE IS NOW IN ITS EIGHTH WEEK (EMBT
10730) WITH THE GOI APPARENTLY SUPPORTING MANAGEMENT'S ATTEMPTS

TO BREAK THE STRIKE AND FORCE THE PILOTS TO ACCEPT THE "SLIP SYSTEM" OF SCHEDULING THEIR WORK. AIR INDIA HAS FIRED THREE SENIOR OFFICERS OF THE PILOTS' UNION, AND THE GOI REFUSES TO SUBMIT THE DISPUTE TO ADJUDICATION AS THE UNION REPORTEDLY PREFERENCES. APPROXIMATELY 200 HAVE BEEN LAID OFF ALTHOUGH THE COMPANY CLAIMS THAT IT IS NOT SUFFERING AS MUCH AS INITIALLY EXPECTED, AS SEVERAL FLIGHTS ARE CONTINUING TO BE FLOWN BY EXECUTIVE PILOTS AND DEFECTORS FROM THE STRIKE.

5. LOOKING TOWARD THE END OF THE YEAR, WE SEE STEEL AND JUTE AS POSSIBLE TROUBLE SPOTS.

6. COMMENT: WHILE LABOR LEADERS RECOGNIZE THE DEPRESSED CONDITION OF THE ECONOMY, THEY ARE OFTEN HEARD TO MAINTAIN THAT THE CONDITIONS IN A SPECIFIC SECTOR REQUIRE AN EXCEPTION TO THE GOI'S GENERAL POLICY OF WAGE RESTRAINT. DESPITE THE RISKS OF STRIKING DESCRIBED ABOVE, THE SPECIAL CASE ARGUMENT MIGHT ENCOURAGE WORK STOPPAGES THE FACT THAT THE INTUC WHICH PARTIALLY ENDORSES THE GOI'S ORDINANCE LIMITING WAGE INCREASES HAS JOINED IN THE MINERS' STRIKE CALL SUGGESTS THAT EVEN THE CONGRESS PARTY-BACKED UNIONS MIGHT RISK CONFRONTATION WITH THE GOI WHEN IN THEIR VIEW THE WORKERS' CONDITION SO DICTATES. HOWEVER, WE ALSO BELIEVE THAT MRS. GANDHI WILL BREAK ANY PROLONGED STRIKE IN A VITAL SECTOR, JUST AS SHE DID IN THE RAIL STRIKE LAST MAY.
SCHNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RAW MATERIALS, LABOR DISPUTES, GENERAL STRIKES
Control Number: n/a
Copy: SINGLE
Draft Date: 25 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974NEWDE12840
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740271-0254
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740915/aaaaampr.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 16 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Aug-2002 by cunninfx>; APPROVED <05 MAR 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LABOR DISPUTES: CURRENT AND POTENTIAL SUMMARY: INFORMED OBSERVERS DO NOT AGREE AS TO WHETHER ORGANIZED
TAGS: ELAB, ETRN, IN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005